



CALIFORNIA DEPARTMENT OF  
FOOD & AGRICULTURE

A. G. Kawamura, Secretary

October 10, 2006

**RE: ANNOUNCEMENT OF MINIMUM PRICES FOR CLASS 1 MARKET MILK**

TO ALL INTERESTED PARTIES:

On the reverse side of this page are the minimum prices for Class 1 market milk for November 2006. All prices are f.o.b. milk processing plant. As provided in the Stabilization and Marketing Plans for Market Milk (Plans), milk handlers shall pay producers the minimum prices for market milk components sold or used for all Class 1 purposes as specified on the reverse side of this page. **Effective October 1, 2006 the component and hundredweight prices no longer include Milk Producers Security Trust Fund charges.**

If market milk components are purchased f.o.b. producer's dairy location, haul deductions may be made as provided in the Plans.

Equivalent hundredweight prices shown in the right-hand column are based upon milk that is 3.5% fat and 8.7% solids-not-fat (SNF). These classified minimum prices that processors must pay for milk received from producers are calculated based upon mathematical formulas. The formulas are established and amended as needed through a public hearing process. These formulas include commercial prices for manufactured dairy products (butter, Cheddar cheese and nonfat dry milk). These commercial prices are also listed on the reverse side of this page.

You can access class price information over the Internet on the Department's dairy homepage at <http://www.cdfa.ca.gov/dairy>. From the main menu, select the [Dairy Prices] link and then the [Minimum Class Price Letters] link. Once there, be sure to make a bookmark for future reference. Current class price information is also available on a recorded message. Please call (800) 503-3490 to hear the recording. If you are calling from Sacramento, or from outside of California, please call (916) 442-MILK.

For more information, please contact us at the telephone number or e-mail address below.

Sincerely,

David K. Ikari, Chief  
Dairy Marketing Branch



## MINIMUM PRICES FOR CLASS 1 MARKET MILK F.O.B. PROCESSING PLANT

**Released:      October 10, 2006**

## CLASS 1:

**For November 2006**

## LB. FAT

**LB. SNF**

## LB. FLUID

EQUIVALENT  
PER CWT.

## Northern California

\$1.4567

\$0.7209

\$0.0195

**\$13.08**

## Southern California

\$1.4567

\$0.7209

\$0.0226

\$13.35

**Statewide Average CWT Price:**

Based Upon Production

\$13.11

### Based Upon Utilization

\$13.23

**COMMODITY MARKET PRICES:**

**\$ PER LB.**

Chicago Mercantile Exchange Grade AA Butter - Daily Simple Average (September 26th to October 10th)

\$1.3139

Chicago Mercantile Exchange Block Cheddar Cheese - Daily Simple Average (September 26th to October 10th)

\$1.2384

California Extra Grade & Grade A Nonfat Dry Milk - (For Weeks Ending September 29th and October 6th)

\$0.8555

**COMMODITY REFERENCE PRICE FOR NOVEMBER CLASS 1 PRICING:**

**\$12.8868**

***As of October 1, 2006, component and hundredweight prices NO LONGER include Milk Producer Security Trust Fund charges.***

The December 2006 Class 1 prices will be announced no later than 4:00 p.m. on November 13, 2006.  
December and January 2006 Class 2 and 3 prices will be announced no later than 4:00 p.m. December 1, 2006.  
October 2006 Class 4a and 4b prices will be announced no later than 4:00 p.m. November 1, 2006.